

REMARKS

This responds to the Final Office Action mailed on June 25, 2008.

Claims 1, 16, 19, 22, 25, 28, 32, 38, 53, 56, 59 and 62 are amended, claims 6-7, 30, 43-44 are canceled, and no claims are added; as a result, claims 1-5, 8-29, 31-42 and 45-64 are now pending in this application.

Claim Amendments

Applicants are mindful that the proposed amendment cannot, as a matter of right, be entered. Nonetheless, Applicants believe that the proposed amendment requires only a cursory review because the limitations presently at issue were previously examined in dependent claims. Applicants furthermore believes that all claims are now in a condition for allowance, which is earnestly solicited.

§103 Rejection of the Claims

Claims 1-5, 7-9, 16-21, 28-30, 32-42, 44-46, 51, and 53-58 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harrington et al. (U.S. 6,161,099; hereinafter "Harrington") in view of Ausubel (U.S. 5,905,975).

Applicants respectfully submit that the rejection of the aforementioned claims under 35 U.S.C. § 103 is defective for the reason that the cited documents, even when combined as described in the Office Action do not teach or suggest all of the claim limitations of the independent claims of the present application.

Applicable Law

In rejecting claims under 35 U.S.C. §103, the Examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. See M.P.E.P. §2142.

Further, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*¹. "All words in a claim

¹ 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

must be considered in judging the patentability of that claim against the prior art." *In re Wilson*². Office personnel must rely on the applicant's disclosure to properly determine the meaning of the claims. *Markman v. Westview Instruments*³.

Argument In response to Rejection of Claims 1-5, 7-9, 28-30, 32-42, 44-46, and 51

Applicants believe that the issue of patentability over the combination of Harrington and Ausubel with regard to claims 1-5, 7-9, 28-30, 32-42, 44-46, and 51 is best understood with regard to the following limitation of claim 1 which has been rewritten to include a limitation from claim 7.

Claim 1, as amended, includes the following limitation:

the reducing of the published interest rate is performed automatically and responsive to a lack of bidding activity

The Final Office Action, in rejecting claim 7, contends that a part of the limitations of claim 7, (now included in claim 1) , is taught/suggested by the following as related by Harrington:

² 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

³ 52 F.3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir.) (*en banc*), *aff'd*, U.S., 116 S. Ct. 1384 (1996).

Auction

56

Auction Date	Auction Type	Start	End	Time of Last Update	Auction Status
Mon, Feb 25, 1998	MRM	9:30 am	10:00 am	5:10:16 pm	Over

\$91,760,000*

The Pittsburgh Water and Sewer Authority, Pennsylvania
Water and Sewer System First Lien Revenue Bonds,
Series A of 1998

Name of firm submitting bid: MuniAuction, Inc.

This auction is competing with Pittsburgh Water and Sewer Series A AON.

70 As of 5:10:16pm, bids have been submitted for all maturities: ☐ ☐ ☐ ☐ ☐ 74

72 **Calculate/Update**

IMPORTANT: Bidders must click the "Calculate/Update" button frequently during auction to update "Time of Last Update". Also, clicking "Calculate/Update" does not result in bid submission.

76 **Submit Bid**

Due	Principal Amount	Coupon	Purchase Price	Yield to Maturity	Year / Status
September 01, 2007	\$8,275,000	%	%	%	Not Winner
September 01, 2018	\$8,695,000	%	%	%	Not Winner
:	:	:	:	:	:
:	:	:	:	:	:
:	:	:	:	:	:
September 01, 2000	\$12,370,000	%	%	%	Not Winner

IMPORTANT: Bidders must click the "Calculate/Update" button frequently during auction to update "Time of Last Update". Also, clicking "Calculate/Update" does not result in bid submission.

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Fig. 10

The above figure and quote from Harrington relate a bid preparation submission page.⁴

The bid preparation submission page is a form upon which a user may prepare and/or enter a bid. In Harrington, the user may enter a coupon and price, or yield for each principal maturity it wants to purchase. The user may utilize the bid preparation submission page to determine a purchase price based on a coupon and yield to maturity, determine a yield to maturity based on coupon and a purchase price or enter a bid. The user is deemed the leader of an auction if the user submits a bid resulting in a yield lower than the best yield. The method of claim 1 functions otherwise.

Amended claim 1 now requires “reducing of a published interest rate [being] performed automatically and responsive to a lack of bidding activity.” In contrast, the above quote from Harrington merely relates a bid preparation submission page. Broadly speaking, the preparation of a bid cannot begin to suggest “a lack of bidding activity,” as required by claim 1. The above

FIG. 10 illustrates a blank form upon which a user may prepare a proposed maturity by maturity bid. The user enters a coupon and price, or yield, for each principal maturity it wants to purchase. To determine the yield associated with the price and coupon combination (or the price associated with their coupon and yield combination) without actually submitting a bid, the user can click the “Calculate/Refresh” button 72, which calculates the yield (or price) without actually submitting it. If the user submits a bid and it results in a yield lower than the “best yield”, whether shown or not, for that maturity, the user may choose to click the “Submit Bid” button 74 and become the new “Leader” with the “best yield” for that maturity (provided time remains before the auction ends). In a maturity by maturity auction only, if no other bidder submits a better bid before the auction ends, then the leader becomes the successful bidder or “Winner” of the auction for the relevant maturity or maturities.

⁴ Col. 6, lines 1-2.

quote from Harrington does relate a user that is deemed the leader of an auction if the user submits a bid resulting in a yield lower than the best yield, but again, a submission of a bid cannot suggest “a lack of bidding activity” much less a “reducing of a published interest rate [being] “performed automatically and responsive to a lack of bidding activity.” Harrington therefore cannot be said to teach or suggest the above quoted limitations of amended claim 1 because Harrington relates a bid preparation submission page while claim 1, in contrast, requires “reducing of a published interest rate [being] performed automatically and responsive to a lack of bidding activity.” These are distinguishable actions.

Ausubel relates a computer implemented system and method of executing an auction including at least two intelligent systems, one for the auctioneer and at least one for a user.⁵ Ausubel also fails to disclose the above quoted limitation of amended claim 1. Accordingly, Ausubel cannot provide what Harrington lacks.

The above remarks are also applicable to amended independent claims 28, 32 and 38 which each have a distinguishing analogous to the one fully discussed relative to amended claim 1.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 2-5, 7-9, 29-30, 33-37, 39-42, 44-46, and 51 under 35 U.S.C. § 103 is also addressed by the above remarks.

Argument In response to Rejection of Claims 16-21 and 53-58

Applicants believe that the issue of patentability over the combination of Harrington and Ausubel with regard to claims 16-21 and 53-58 is best understood with regard to the following limitation of claim 16 which has been amended to include a limitation previously forming a part of claim 19.

Claim 16, as amended, now includes the following limitation:

upon termination of the declining auction based on a predetermined time that is modified based on a selling price a plurality of IP items in other declining auctions...

⁵ Ausubel, Abstract.

The Final Office Action, in rejecting claim 19, contended that a part of the limitations of claim 19, (now included in claim 16), is taught/suggested by the following as related by Ausubel:

Use of such a flexible bidding system would enable the central bank and bidders to avoid undue worry about communication breakdowns or time lags in the bid entry process, and so the dynamic auction might be able to complete in the same short time as the current turnaround time (about 45 minutes) between the bid submission deadline and the announcement of results in the current (sealed-bid) computerized auctions conducted by the U.S. Treasury.⁶

The above quote from Ausubel relates to the completion of a dynamic auction. Specifically, the quote states that the “dynamic auction” and the “sealed-bid auctions” may be able to complete in the same time.

The Final Office Action further contends that the same part of claim 19 is also taught/suggested by the following as related by Harrington:

In a maturity by auction only, if no other bidder submits a better bid before the auction ends, then the leader becomes the successful bidder or “Winner” of the auction for the relevant maturity or maturities.⁷

The above quote from Harrington relates to identifying a “Winner” of an auction. Specifically, the successful bidder is the “Winner” of the auction.

Amended claim 16 requires a “termination of [a] declining auction based on a predetermined time that is modified based on a selling price a plurality of [interest-paying] items in other declining auctions.” In contrast to this claim limitation, Ausubel merely comments that the “dynamic auction” and the “sealed-bid auctions” complete in the same time. Further, in contrast to this limitation, Harrington merely relates to identifying a “Winner” of an auction. Therefore, Ausubel, whether alone in or in combination with Harrington, cannot be said to teach or suggest the above quoted limitation of claim 16 because Ausubel relates a “dynamic auction” and “sealed-bid auctions” that complete in the same time, Harrington relates an identifying of a “Winner” of an auction, and claim 16 requires a “termination of [a] declining auction based on a predetermined time that is modified based on a selling price a plurality of [interest-paying] items in other declining auctions.”

⁶ *Id.*, col. 13, lines 42-49.

⁷ Harrington, col. 9, lines 36-39.

The above remarks are also applicable to independent claim 53 which is distinguishable from the cited documents by amendment to add limitations analogous to the one discussed above.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious, the rejection of claims 17-21 and 54-58 under 35 U.S.C. § 103 is also addressed by the above remarks.

Harrington, Ausubel, Bansal, Bidshares.com, Tenenbaum

Claims 10-13, 15, 23-24, 26-27, 31, 47-50, 52, 60-61, and 63-64 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harrington in view of Ausubel and in further view of Bansal et al. (U.S. Publication No. 2002/0198814; hereinafter "Bansal") and in further view of "How an Auction Works" (hereinafter "Bidshares.com").

In responding to the rejection, Applicants were required to make some assumptions. Applicants assume that the Final Office Action intended to include independent claim 22 in the above rejection because claim 22 was identified as rejected in the same section of the Final Office Action. Applicants further assume that the Final Office Action intended to include Tenenbaum (U.S. Publication No. 2001/0027436; hereinafter "Tenenbaum") in the above rejection because Tenenbaum was cited in rejecting dependent claim 25 in the same section of the Final Office Action.

Applicants believe that the issue of patentability over the combination of Harrington and Ausubel is best understood with regard to the limitation of claim 22 which has been amended to include a limitation from claim 25.

Claim 22, as amended, includes the following limitation:

upon termination of the declining auction based on a predetermined time that is modified based on a selling price a plurality of IP items in other declining auctions...

The Final Office Action, in rejecting claim 25, contends that a part of the limitations of claim 25, (now included in amended claim 22), is taught/suggested by the following as related by Tenenbaum:

[0213] e. Auction duration

[0214] In order to enable Lenders to fully assess the risks involved in a certain auction and to fix an interest rate accordingly, the site will initially recommend the Borrowers to set the duration of an Auction at a minimum of 10 days.

[0215] The "5 minute rule" will apply, thus the auction will end only 5 minutes after the last bid was received.

The above quote from Tenenbaum relates to auction duration. A site may recommend a borrower to set a duration of an auction to be a minimum of ten days. In addition, an auction may end five minutes after a last bid is received. The method of amended claim 22 functions otherwise.

Claim 22, as amended to include limitations from claim 25, now requires a "termination of [a] declining auction based on a predetermined time that is modified based on a selling price a plurality of [interest-paying] items in other declining auctions." In contrast, Tenenbaum relates terminating an auction based on a duration set by a borrower and a duration after a last bid is received. Accordingly, Tenenbaum does not begin to teach or suggest the limitations of claim 22 which require a "termination of [a] declining auction based on a predetermined time that is modified based on a selling price a plurality of [interest-paying] items in other declining auctions."

Harrington relates an apparatus and process for conducting auctions, specifically municipal bond auctions, over electronic networks, particularly the Internet.⁸ Harrington fails to disclose the above quoted limitations of claim 22. Accordingly, Harrington cannot provide what Tenenbaum lacks because Harrington also fails to teach or suggest the above quoted limitation of amended independent claim 22.

Ausubel relates a computer implemented system and method of executing an auction with at least two intelligent systems, one for the auctioneer and at least one for a user.⁹ Ausubel fails to disclose the above quoted limitations of amended claim 22. Accordingly, Ausubel cannot provide what Tenenbaum or Harrington is lacking because Ausubel also fails to teach or suggest the above quoted limitation of independent claim 22.

⁸ Harrington, Title and Abstract.

⁹ Bansal, Title and Abstract.

Bansal relates a system, method, and computer program product for online E-commerce transaction incorporating a determination of end-to-end costs.¹⁰ Bansal fails to disclose the above quoted limitations of claim 22. Accordingly, Bansal cannot provide what Tenenbaum or Harrington or Ausubel lack because Bansal also fails to teach or suggest the above quoted limitation of amended independent claim 22.

Bidshares.com relates a set of "Frequently Asked Questions" with answers regarding auctions on bidshares.com, a website provided by Bidshares, Inc. Bidshares.com also fails to disclose the above quoted limitations of claim 22. Accordingly, Bidshares.com cannot provide what Tenenbaum or Harrington or Ausubel or Bansal lack because Bidshares.com also fails to teach or suggest the above quoted limitation of amended independent claim 22.

The remarks directed at independent claim 22 are also applicable to independent claim 59.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 23-24, 26-27, 60-61 and 63-64 under 35 U.S.C. § 103 is also addressed by the above remarks.

The above remarks directed at independent claim 1 are also applicable to independent claim 28 and 38

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 10-13, 15, 31, 47-50 and 52 under 35 U.S.C. § 103 is also addressed by the above remarks.

Claims 24-25 and 61-62 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harrington in view of Ausubel and in further view of Bansal, in further view of "How an Auction Works", in further view of Tenenbaum.

Claims 24-25 depend on independent claim 22. Claims 61-62 depend on independent claim 59. If an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 24-25 and 61-62 under 35 U.S.C. § 103 is also addressed by the above remarks.

¹⁰ Ausubel, Title and Abstract.

In summary, Applicants believe that all rejections presented in the Final Office Action have been fully addressed and withdrawal of these rejections is respectfully requested. Applicants are mindful that the proposed amendments cannot, as a matter of right, be entered. Nonetheless, Applicants believe that the proposed amendments require only a cursory review by the Examiner to remove issues from appeal because the quoted limitations appeared in dependent claims that were rejected in the Final Office Action by the Examiner. Applicants furthermore believe that all claims are now in a condition for allowance, which is earnestly solicited.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' representative at (408) 278-4046 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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Date August 25, 2008

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 15 day of August, 2008.

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Signature

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